

1 A Okay.
2 Q At what banks did Harbin's have bank accounts?
3 A South Trust Bank and Colonial Bank.
4 Q Do they have lines of credit at either of those?
5 A Just at Colonial Bank.
6 Q And at what banks did Harbins-Stern Brothers have bank
7 accounts?
8 A Colonial Bank, Aliant Bank, and that's all I can think
9 that we had.
10 Q Okay. So they didn't have one at -- Harbins-Stern
11 Brothers did not have one at South Trust?
12 A No, I don't think we did.
13 Q The account at Colonial, did Harbin's have a separate
14 account from Harbins-Stern Brothers?
15 A No.
16 Q So Harbin's and the Harbins-Stern Brothers account at
17 Colonial was the same?
18 A Correct.
19 Q Okay. Did Harbins-Stern Brothers have a line of credit
20 at Colonial as well, then?
21 A Harbins-Stern Brothers had a line of credit.
22 Q Was that the same line of credit as Harbin's?
23 A Correct.
24 Q Did Harbins-Stern Brothers have lines of credit
25 anywhere else?

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1 regardless of whether they were from Harbin's or
2 Harbins-Stern Brothers?
3 A What I gave to Bob was a checkbook, the check that was
4 written out, who it was for and the stub, and that's
5 what he has.
6 Q I'm going to ask you questions about -- well, first let
7 me ask you about an asset sale. Did you have an asset
8 sale of all the assets of Harbin's at any point?
9 A Yes.
10 Q When did you decide to have that sale?
11 A Seven weeks prior to April 30th. No, I take that back.
12 Months before that. I don't know the exact date.
13 Q Prior to April 30th what year?
14 A 2004.
15 Q Why did you decide to have an asset sale?
16 A To pay back our vendors, and Harbin's, Inc., book of
17 business had been sold to another company.
18 Q What company did you sell it to?
19 A Myofficeproducts.com.
20 Q Who owns that?
21 A It's a corporation out of Tennessee.
22 Q And they just purchased your book of business? They
23 didn't actually purchase Harbin's?
24 A Correct. They purchased no assets other than future
25 revenue.

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1 A No.
2 Q And they didn't bank with South Trust?
3 A No.
4 Q The check stubs that you provided Bob Smith, were those
5 for Harbin's or Harbins-Stern Brothers or both?
6 A I think they were a combination of both.
7 Q Is there any way to tell which are from which business?
8 A Yes. There's some unused checks still in the register
9 -- or still in the book, the checkbook. So the name on
10 it would denote --
11 Q But if it's just the stub, how do you know?
12 A I don't.
13 Q Okay. So as I'm going through those books and looking
14 through those records, if I see stubs -- a stub, it
15 could be from Harbin's or it could be from Harbins-
16 Stern Brothers?
17 A That's correct.
18 Q And there's no way of knowing unless there's still a
19 copy of the check in there?
20 A That's correct.
21 Q Were the books, the way that you gave them to Bob, is
22 that how they were as the business was running?
23 A Explain that.
24 Q Sorry. You gave Bob three large books of stubs. As
25 those stubs came in, they were just put together

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1 Q Weren't you already in some financial struggles at that
2 point with Harbin's?
3 A At what point?
4 Q Well, you had said months -- several months prior to
5 April 30, 2004, and you had mentioned before that you
6 were having some economic struggles in that period; is
7 that correct?
8 A I believe so.
9 Q And so even though your business was suffering, --
10 A Um-hmm.
11 Q -- they purchased it for future revenue?
12 A They did.
13 Q And they only purchased your book of business?
14 A They purchased future revenue. Whether it was a
15 million dollars in revenue or a dollar, that's what
16 they purchased.
17 Q How do you purchase that? Sorry to sound naive.
18 A That's a good question. How do you purchase the
19 unknown?
20 Q Well, I mean, what did they actually buy? What did you
21 hand over to them?
22 A Nothing.
23 Q So they -- sorry. I'm struggling to understand. They
24 paid you and you gave them -- I mean I understand
future revenue --

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